KeyBank

Community Development Lending

Transmitted Electronically

September 13. 2022

Muammar Hermanstyne
Africatown Community Land Trust
muammar@africatownlandtrust.org

Re: Debt Terms for Yesler Apartments, Seattle, WA

Dear Muammar,

KeyBank is pleased to have received your request for preliminary construction and permanent financing terms for the Yesler Apartments. The project will include 238 housing units for households at 50% to 60% AMI.

Expected financing sources include, 4% LIHTCs, a tax-exempt bond loan, Housing Trust Fund, City of Seattle Office of Housing, as well as other sources.

We have reviewed the initial project summary you provided, and we are very interested in working with you on this project. There are several structuring possibilities for this project, and we can discuss further which would best suit your needs if you are awarded the project. Outlined below is one possibility for the financing structure:

Construction Financing Up to $66.8MM:

- Loan of up to 80% of the project costs, subject to additional LTV, and a 1.15x DSCR test
- 1 % loan fee the loan amount
- 24 to 36-month term
- Index is overnight SOFR with a 25 basis point floor
- Spread is 2.25%
- Indicative rate is 4.54%

Permanent Financing Up to $24.5MM:

- Loan amount up to 90% LTV, subject to a 1.15x DSCR test

- 0.50% origination fee on loan amount
- Interest rate based on 10-Year Treasury rate plus 250 basis points 150 basis point floor
- 5.83% Indicative Rate
- 17-year term
- 35-year amortization
- Requires 90 days at 90% occupancy to begin conversion process

All terms and conditions are subject to receipt of a comprehensive financing package (i.e. final proforma, borrower and guarantor financials, appraisal, environmental due diligence, construction related documents, legal opinions, etc), underwritten and approved by KeyBank. Once you have received approval for all of your funding sources, please let us know so that we may proceed with a follow-up review at which time we can provide updated terms.

Thank you for the opportunity to look at this transaction, and please don't hesitate to contact me with any questions or clarifications needed.

Sincerely,

KeyBank National Association

Brett Sheehan
Relationship Manager
Community Development Lending& Investment

CC: Kortney Brown